

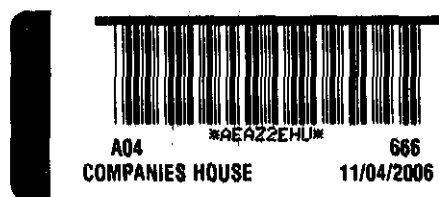
*Reg. 1151*

Charity number: 275241  
Company number: 1347568

**CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED**

**Members' report and financial statements**

**for the year ended 31 January 2006**



# CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED

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# CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED

## Legal and administrative information

### Status

Cherry Orchards (Camphill) Community Limited is incorporated as a company limited by guarantee, not having a share capital and is registered under the Charities Act.

### Trustees

M Bucknall	
K Grimshaw	
T Burns	Chairman
S Cooper	Retired 26 October 2005
C Nile	
F D Whitwell	
M Tuckwell	Appointed 11 January 2006

Secretary S Sands

Company number 1347568

Charity number 275241

Registered office Canford Lane  
Westbury-on-Trym  
Bristol  
BS9 3PF

Auditors Elliott Bunker  
3 - 8 Redcliffe Parade West  
Bristol  
BS1 6SP

Bankers Triodos Bank  
Brunel House  
11 The Promenade  
Bristol  
BS8 3NN

## **CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED**

### **Trustees' report for the year ended 31 January 2006**

#### **Structure, Governance and Management**

Cherry Orchards (Camphill) Community Limited is incorporated as a company limited by guarantee, not having a share capital. It is registered under the Charities Act and is governed by its Memorandum and Articles of Association.

The Council of Management comprises of six trustees and three co-opted members from Cherry Orchards Community. It currently reviews the major risks to which the charity is exposed and systems have been established to mitigate such risks. It met five times during the year. One trustee, Mrs S. Cooper, resigned from her office in October 2005. A new trustee, Mr M. Tuckwell, was unanimously welcomed to the Council of Management on 11 January 2006. His name was originally proposed by a trustee in the October Council of Management Meeting. This was followed by a meeting he attended with the management group of Cherry Orchards Community and then with a quorum of Trustees. He subsequently attended a workshop, provided by the charity, to explore its core values and practices. A personal presentation to the Council of Management, and ensuing discussion, led to the unanimous decision to welcome him to the group of Trustees.

In a new endeavour to become more informed and active in our role as Trustees there have recently been two extraordinary Trustee Meetings. Trustees were also able to participate in a training workshop for Trustees of Camphill Communities in January 2006.

In accordance with requirements from the Commission for Social Care Inspectors, trustees have shared responsibility for the monthly-unannounced inspections of Cherry Orchards.

At each Council of Management Meeting, the managers of Cherry Orchards Community present the Trustees with an extensive life report. This is followed by an in-depth review of the current financial situation, and includes the creation of yearly budgets. The principle-funding source continues to be a weekly fee, which is reviewed and adjusted by the Trustees on a regular basis.

The charity belongs to the wider Camphill Movement, which is in ongoing discussion with the Charity Commission to upgrade and update its Memorandum and Articles of Association; so that they more clearly reflect the charity's objects and aims.

Cherry Orchards is at present engaged in a research project with the Mental Health Foundation to help assess its working methods.

The council of management currently reviews the major risks to which the charity is exposed and systems have been established to mitigate such risks.

*The principal activity of the company is the provision of a therapeutic environment for people with special developmental needs, which can include life crisis, mental health problems and/or learning difficulties. Cherry Orchards, through its therapeutic work, offers adults seeking to make steps from situations of dependency and impairment a chance to achieve a higher degree of personal independence, self responsibility, and improved health. Most residents struggle with mental health problems and come to Cherry Orchards from hospital or similar situation.*

# **CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED**

## **Trustees' report for the year ended 31 January 2006**

### **Achievements and Performance**

A new development incorporating a therapeutic garden has been completed, funded jointly through revenue expenditure and donations. It has significantly enhanced opportunities for the residents to benefit from a peaceful and beautiful environment. This has also provided new opportunities for the therapeutic horticultural work in the planting and maintenance of the garden beds.

There have been ongoing improvements this year to the houses and working areas, for the residents' benefit.

A Pension Scheme was started in January 2005, initially to give stability and security to the present carrying group of managers. It will also offer a possible incentive for future co-workers intending to commit to longer-term responsibility for the work of Cherry Orchards Community.

### **Reserves**

The trustees consider it prudent to maintain sufficient reserves to

- (a) provide funds which can be designated to specific projects to be undertaken at short notice;
- (b) to avoid the necessity to realise fixed assets held for the charity's use;
- (c) to provide funds to meet any capital debt repayments over the ensuing twelve months.

### **Governance and internal control**

The council of management currently reviews the major risks to which the charity is exposed and systems have been established to mitigate such risks.

### **Statement of trustees' responsibilities**

Company and charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees have overall responsibility for ensuring that the charity has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED**

### **Trustees' report for the year ended 31 January 2006**

#### **Auditors**

A resolution proposing that Elliott Bunker be reappointed as auditors of the charity will be put to the Annual General Meeting.

This report was approved by the trustees on 5 April 2006 and signed on its behalf by

A handwritten signature in black ink that reads "Tom Burns". The signature is written in a cursive style with a horizontal line above the first few letters.

T Burns  
Chairman

## **CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED**

### **Independent auditors' report to the members of CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED**

We have audited the financial statements of CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED for the year ended 31 January 2006 which comprise the statement of financial activities, summary of income and expenditure account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity's Members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's Members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's Members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the Members and auditors**

As described in the statement of Trustees' responsibilities, the charity's Members (who are also the Trustees of Cherry Orchard (Camphill) Community Limited for the purposes of company law) are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards of Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Members' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Member's remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Members' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in Note 1 to the financial statements.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED**

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 January 2006, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Elliott Bunker**  
**Chartered Accountants and**  
**Registered Auditors**

**3 - 8 Redcliffe Parade West**  
**Bristol**  
**BS1 6SP**

**5 April 2006**



# CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED

## Statement of financial activities

For the year ended 31 January 2006

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	2006 Total £	2005 Total £
<b>Incoming resources</b>						
Incoming resources from generated funds						
Voluntary income	2	7,150	-	-	7,150	5,811
Investment income	4	1,281	1,426	-	2,707	743
Incoming resources from charitable activities	3	350,184		-	350,184	344,707
Other incoming resources		-	-	-	-	60
<b>Total incoming resources</b>		<u>358,615</u>	<u>1,426</u>	<u>-</u>	<u>360,041</u>	<u>351,321</u>
<b>Resources expended</b>						
Charitable activities	5	247,980			247,980	230,879
Governance costs	6	27,578	-	-	27,578	28,554
<b>Total resources expended</b>		<u>275,558</u>	<u>-</u>	<u>-</u>	<u>275,558</u>	<u>259,433</u>
Transfers between funds		6,231	(2,100)	(4,131)	-	-
<b>Net movement in funds</b>		<u>89,288</u>	<u>(674)</u>	<u>(4,131)</u>	<u>84,483</u>	<u>91,888</u>
Total funds brought forward		373,338	56,465	4,131	433,934	342,046
<b>Total funds carried forward</b>		<u>462,626</u>	<u>55,791</u>	<u>-</u>	<u>518,417</u>	<u>433,934</u>

The notes on pages 10 to 16 form an integral part of these financial statements.

# **CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED**

## **Income and expenditure account**

**For the year ended 31 January 2006**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Income	357,334	350,578
Total expenditure	(275,558)	(259,433)
<b>Operating surplus</b>	<b>81,776</b>	<b>91,145</b>
Income from investments	2,707	743
<b>Net retained surplus for the financial year</b>	<b>84,483</b>	<b>91,888</b>

All activities relate to continuing operations.

The notes on pages 10 to 16 form an integral part of these financial statements.

# CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED

## Balance sheet as at 31 January 2006

	Notes	2006 £	2005 £
<b>Fixed assets</b>			
Tangible assets	10	462,583	466,302
Investments	11	51	51
		<u>462,634</u>	<u>466,353</u>
<b>Current assets</b>			
Debtors	12	20,389	21,742
Cash at bank and in hand		<u>160,607</u>	<u>96,386</u>
		180,996	118,128
<b>Creditors: amounts falling due within one year</b>	13	<u>(43,230)</u>	<u>(40,461)</u>
<b>Net current assets</b>		<u>137,766</u>	<u>77,667</u>
<b>Total assets less current liabilities</b>		600,400	544,020
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(81,983)</u>	<u>(110,086)</u>
<b>Net assets</b>		<u>518,417</u>	<u>433,934</u>
<b>Funds</b>			
Unrestricted funds	15	462,626	373,338
Restricted funds	16	-	4,131
Designated funds	17	<u>55,791</u>	<u>56,465</u>
		<u>518,417</u>	<u>433,934</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 5 April 2006 and signed on its behalf by



**T Burns**  
Chairman

The notes on pages 10 to 16 form an integral part of these financial statements.

# CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED

## Notes to the financial statements for the year ended 31 January 2006

### 1. Accounting policies

#### 1.1. Accounting convention

The financial statements are prepared under the historical cost convention and follow the recommendations in 'Accounting and Reporting by Charities: Statement of Recommended Practice' issued in June 2004.

The charity has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small charity.

#### 1.2. Unrestricted funds

Unrestricted funds are donations, fees and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

#### 1.3. Designated funds

Designated funds are unrestricted funds earmarked by the Management Committee for a particular purpose.

#### 1.4. Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

#### 1.5. Resources expended

Resources expended are recognised in the year in which they are incurred. Resources expended include attributable VAT which cannot be reclaimed

#### 1.6. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	4% straight line on cost of buildings
Motor vehicles	-	25% straight line

Capital expenditure, except that on motor vehicles and new buildings is written off as it is incurred.

#### 1.7. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

#### 1.8. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.9. Provisions Available for Small Entities

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

# CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED

## Notes to the financial statements for the year ended 31 January 2006

### 1.10. Contributions to Pension Scheme

Contributions to a Pension Scheme have been made during the year for the provision of a pension fund for the co-workers.

### 2. Voluntary income

	2006	2005
	£	£
Donations	7,150	5,811
	<u>7,150</u>	<u>5,811</u>

### 3. Incoming resources from charitable activities

	2006	2005
	£	£
Fees	350,184	340,455
Seminar income	-	4,252
	<u>350,184</u>	<u>344,707</u>

### 4. Investment income

	2006	2005
	£	£
Income from investments	1,281	743
	<u>1,281</u>	<u>743</u>

# CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED

## Notes to the financial statements for the year ended 31 January 2006

### 5. Charitable activities

	2006 £	2005 £
Staff costs	36,555	29,457
Co-workers	18,776	18,819
Pension Fund Contributions	9,986	-
Medical expenses	14,400	17,467
Food	20,436	24,305
Household expenditure	18,826	13,868
Rates and water	2,370	3,417
Garden and estate	17,967	16,322
Insurance	6,482	5,324
Light and heat	6,363	4,820
Repairs and maintenance	25,713	19,158
Printing, postage and stationery	4,582	4,383
Telephone	2,174	3,572
Motor expenses	13,069	14,035
Cultural and educational	7,261	18,367
Depreciation	43,020	41,448
(Profit)/loss on disposal of assets	-	(3,883)
	<u>247,980</u>	<u>230,879</u>

### 6. Governance costs

	2006 £	2005 £
Staff training	5,713	-
Rates and water	790	1,139
Light and heat	2,121	1,607
Printing, postage and stationery	1,527	1,461
Telephone	2,174	3,572
Legal and professional	3,300	2,911
Accountancy fees	500	500
Audit fees	2,849	3,100
Bank charges and interest	229	5,424
Loan interest	6,716	6,770
Hire purchase interest	1,659	2,070
	<u>27,578</u>	<u>28,554</u>

# CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED

## Notes to the financial statements for the year ended 31 January 2006

### 7. Operating Surplus

	2006 £	2005 £
Operating Surplus is stated after charging:		
Depreciation and other amounts written off tangible assets	43,020	41,448
Auditors' remuneration	2,849	3,100
and after crediting:		
Profit on disposal of tangible fixed assets	-	3,883

### 8. Taxation

No liability for corporation tax arises on the results for the year.

### 9. Employees

#### Number of employees

	2006 Number	2005 Number
The average monthly numbers of employees (including the trustees) during the year were:	3	3

#### Employment costs

	2006 £	2005 £
Wages and training	42,268	29,457

# CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED

## Notes to the financial statements for the year ended 31 January 2006

10. Tangible fixed assets	Land and buildings freehold £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 February 2005	876,204	31,361	907,565
Additions	39,301	-	39,301
At 31 January 2006	915,505	31,361	946,866
<b>Depreciation</b>			
At 1 February 2005	427,632	13,631	441,263
Charge for the year	35,180	7,840	43,020
At 31 January 2006	462,812	21,471	484,283
<b>Net book values</b>			
At 31 January 2006	452,693	9,890	462,583
At 31 January 2005	448,572	17,730	466,302

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2006		2005	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	9,890	7,840	17,730	13,631

11. Fixed asset investments	Listed investments £	Total £
<b>Cost</b>		
At 1 February 2005	51	51
At 31 January 2006	51	51
<b>Net book values</b>		
At 31 January 2006	51	51
At 31 January 2005	51	51

The investment comprises 1 non-voting share certificate in Triodos Bank NV.



# CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED

## Notes to the financial statements for the year ended 31 January 2006

<b>12. Debtors</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade debtors	20,389	21,742
	<hr/>	<hr/>
<b>13. Creditors: amounts falling due within one year</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Bank loan	26,298	25,500
Net obligations under finance leases and hire purchase contracts	4,153	4,153
Trade creditors	760	-
Other taxes and social security costs	358	390
Other creditors	-	1,266
Accruals and deferred income	11,661	9,152
	<hr/>	<hr/>
	43,230	40,461
	<hr/>	<hr/>
<b>14. Creditors: amounts falling due after more than one year</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Bank loan	74,693	98,882
Net obligations under finance leases and hire purchase contracts	7,290	11,204
	<hr/>	<hr/>
	81,983	110,086
	<hr/>	<hr/>
<b>Loans</b>		
Repayable in one year or less, or on demand (Note 13)	26,298	25,500
Repayable between one and two years	26,298	25,500
Repayable between two and five years	48,396	73,382
	<hr/>	<hr/>
	100,992	124,382
	<hr/>	<hr/>
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	4,153	4,153
Repayable between one and five years	3,376	11,204
	<hr/>	<hr/>
	7,529	15,357
	<hr/>	<hr/>

# CHERRY ORCHARDS (CAMPHILL) COMMUNITY LIMITED

## Notes to the financial statements for the year ended 31 January 2006

15. Unrestricted funds	1 February £	Incoming £	Outgoing £	Transfers £	31 January £
Unrestricted Funds	373,338	358,615	(275,558)	(6,231)	462,626
	<u>373,338</u>	<u>358,615</u>	<u>(275,558)</u>	<u>(6,231)</u>	<u>462,626</u>

16. Restricted funds	1 February £	Transfers £	31 January £
Restricted Funds	(4,131)	4,131	-
	<u>(4,131)</u>	<u>4,131</u>	<u>-</u>

17. Designated funds	1 February £	Incoming £	Transfers £	31 January £
Designated Funds	56,465	1,426	2,100	55,791
	<u>56,465</u>	<u>1,426</u>	<u>2,100</u>	<u>55,791</u>

### Purposes of designated funds

The designated fund, known as the Special Fund, is to provide for Co-workers future needs. There is also a provision within this fund for a pension fund for the Co-workers.